

NOTE: These minutes do not constitute a verbatim transcription of the CPC meeting.

**CITY PLANNING COMMISSION
SPECIAL MEETING
March 31, 2005**

APPROVED

- Call to Order: The meeting was called to order by Chairperson Arthur Simons in the Committee of the Whole Room, 13th Floor of the Coleman A. Young Municipal Center, at 5:00 PM.
- Roll Call: Present at the meeting were Commissioners Cason, Christensen, Glaser, Glenn, Jeffrey, Simons, and Wendler. Absent were Commissioners Smith (excused) and Williams.
- Agenda: The Agenda was approved as submitted.
- PRESENTATION--
Update by
WSU on
CDBG/NOF
Evaluation
Project: Dr. Dale Thompson and Denise Nowak of Wayne State University presented an update on the Community Development Block Grant/Neighborhood Opportunity Fund (CDBG/NOF) evaluation project and other evaluation and housing research.
- Dr. Thompson noted that a total of 246 site visits or surveys have been completed for those organizations who have applied for 2005-2006 NOF funding and who are not entirely new to the NOF process. Only 4 organizations did not respond to the survey. The figures represent the completion of 14% more site visits than last year at a lower cost per site; 48% fewer non-compliant organizations; 38% (94 reports) completed in 43% less than the typical evaluation cycles.
- Implementation of a web-based data entry system has resulted in savings of cost and time. WSU has developed software programs that can be installed on the most rudimentary computer. Organizations provide information on-line instead of through the U.S. mail. Data is automatically converted to WSU's evaluation database. Data from previous years' evaluations are loaded automatically for organizations to edit. Organizations are then able to track the status of reports, and reviewers are able to view evaluation reports on-line. A total of 72% of the organizations (176) utilized the on-line system, an increase of 21% from last year. Eighty organizations provided feedback on the use of the system. Except for 10 organizations, all of the feedback was very positive. The ten organizations were experiencing problems with the AOL browser. Upon questioning, Dr. Thompson noted that every organization does not have a computer or an internet site.
- WSU noted the future possibilities of the web-based entry system. The system could allow for entered data to be exported into the 2005-2006 CDBG/NOF application, the creation of an on-line application and links to the on-line evaluation, the creation of an on-line output tracking system and links with the on-line evaluation, and non-profit searches by geography, activity, size, etc. The development of the web based entry system is not intended to exclude organizations who don't have online access. A handwritten application will always

be available. Ms. Nowak noted that many organizations have used the computers at the Detroit public libraries to gain on-line access. WSU suggested the establishment of computer booths at WSU or Neighborhood City Halls to allow organizations to access on-line applications and other information free of charge.

WSU noted that it has been involved in helping the non-profits create and maintain outcomes monitoring systems. Four group outcomes training/technical assistance sessions have been held since April 2004. Twenty organizations are receiving on-going site-specific assistance. Presentations on technical assistance have been made at CDBG workshops and special meetings. Web-based access to outcomes information and training is available. WSU is focusing its training efforts on organizations who provide a public service. WSU has received only positive feedback on the training. The outcomes assessment could be used as a marketing tool by community organizations.

Potential next steps in outcomes training/technical assistance include providing group trainings and/or site-specific training. To date, approximately 250 people have signed up for training. Training sessions serve about 20 groups at a time. Site-specific assistance would serve only a few organizations but would provide the most impact. The establishment of an online assessment database and online outcomes tracking database are possible.

Dr. Thompson reported on research funded through the CDBG/NOF evaluation to facilitate the City's efforts in allocating its housing/community development resources more strategically. Housing activities included the conduction of a windshield survey of physical conditions of housing in four Detroit neighborhoods, participation in the City Council's Housing Task Force, an extensive, legal, financial and political analysis of 25 potential funding sources by the Housing Trust Fund, a geographical analysis of building permit activity from 2000-2003, and a study of housing counseling systems in Detroit and other cities. The study of housing counseling systems is expected to be presented in April 2005.

In response to Commissioner Simons, Dr. Thompson noted that he would get back with the Commission regarding the results of the property-by-property windshield survey.

Upon questioning, Dr. Thompson noted that WSU used the City's administrative data to help understand residential development in the City. The purpose of the study was to determine the amount, type, cost and location of residential building construction, maintenance and demolition. WSU reviewed the raw building permit data from the Planning and Development Department (P&DD) and developed programming language to read the files and code in activity categories. WSU coded and mapped the information by cluster, ran basic descriptive statistics and graphed the results.

Potential uses of the residential building permit analysis include monitoring of development activity, planning for future public investments, identifying market opportunities for private investments, estimating the impact of city, state, federal, and nonprofit interventions, and examining factors related to investment. Refining and standardizing coding for analysis of prior years and CPC/P&DD analysis of future years could be done.

Dr. Thompson reviewed maps and graphs showing the demolition and new construction permit activity by cluster. WSU agreed to provide the Commission with copies of the building permit report.

WSU is conducting a study of housing counseling organizations in Detroit and their relationship to each other and external stakeholders. Preliminary findings indicate that many organizations provide counseling, but most started recently within the past five years; over 11,000 clients are served, $\frac{3}{4}$ of whom are served by six agencies and 60% are served by four agencies; most of the organizations provide one-on-one counseling; 45 % of clients received emergency assistance; and nationwide trends emphasize financial literacy. Preliminary findings show that the need for counseling is great; loss mitigation such as foreclosure and default are increasingly important but there are resources to address same; funding is inadequate and unreliable; systemization (coordination, comprehensiveness, awareness, reliability and feedback) is minimal; and recent collaborative efforts offer some hope.

Commissioner Cason inquired as to whether WSU knows whether or not pre-counseling and after counseling have made a difference. Dr. Thompson did not know the data for Detroit. Only some of the organizations actually track the success or failures of clients. Tracking is very hard to do. There are not enough resources for housing counseling.

Commissioner Jeffrey inquired as to whether WSU is proposing to be a third party and provide housing counseling. He felt it was inappropriate for WSU to evaluate other groups if it is going to receive funding to provide housing counseling. Dr. Thompson emphasized that WSU was not suggesting that it undertake housing counseling. He cited WSU's integrity in conflict of interest situations and the importance of separation between evaluation and organizations receiving funding. WSU was not attempting to cross any lines. Providing fair, impartial evaluations is very important to WSU.

Upon questioning, WSU noted that housing counseling is very broad and includes both housing and renter counseling. Two of the organizations have been providing housing counseling for 30 years. It is very hard to estimate the number of clients served.

Dr. Thompson noted efforts by the Congressional Black Caucus, U.S. Conference of Mayors, the Dollar Wise campaign and the Detroit/Wayne County Hope initiative to provide resources for financial literacy.

Dr. Thompson noted forthcoming studies including analysis of subprime lending, mortgage foreclosures, tax foreclosures and nonprofit revenue streams.

Commissioner Cason inquired as to whether any correlation could be made between the number of foreclosures and the amount of demolition. He inquired as to whether landlords are aware of housing counseling services. Do they refer clients somewhere? Ms. Ferris noted the activities of the Church of the Messiah.

Commissioner Cason questioned whether counseling has made a difference. Dr. Thompson noted that in some cases it has. Organizations are able to track the status for a period of six months to one year. It is one thing to get a client into a house; it is another thing to

determine whether or not a client is able to retain it.

Commissioner Jeffrey questioned what the City would be able to do with the information obtained from the analysis of subprime lending. Dr. Thompson cited the possibility of focusing in on areas where subprime lending is taking place and targeting resources such as counseling or refinancing services. A correlation might be shown between foreclosures and predatory lending.

Commissioner Jeffrey cited the need for information on the number of people in Detroit who should have received a loan but were denied. He felt that persons with similar financial backgrounds will receive a loan if they reside in the suburbs but will be denied a loan if they live in Detroit. The studies are not getting to the causes. The studies analyze the victims rather than the cause as to why they are victims.

Commissioner Jeffrey expressed concern regarding insurance costs. Rather than studying the problem, WSU should determine the cause and the reason for the high costs.

Commissioner Jeffrey noted that the State allows insurance companies to charge Detroiters three times what it charges residents of other cities.

Dr. Thompson defended studies pointing out that being able to provide numbers and statistics helps in crafting solutions to the problems. For example, people say there is a lot of predatory lending taking place. But persons making the decisions to address such problems say, "show me the numbers." Dr. Thompson noted that Dr. George Galster conducted a study of home insurance and car insurance costs in Detroit. He indicated that he would attempt to provide copies of the study to the Commission.

Commissioner Jeffrey questioned whether the studies are providing the information the City really needs to know.

Ms. Bruhn noted that in the near future the Commission will be given the opportunity to discuss the evaluation contract with WSU for the 2005-2006 CDBG program year.

PRESENTATION:
CRC
Recommendations
on the
2005-2006
NOF:

The Citizen Review Committee (CRC) presented its recommendations on the 2005-2006 Neighborhood Opportunity Fund (NOF) program.

Present for the discussion were CRC members Juanita Hernandez, Chair, James Long, Abdul Karriem Muhammad, Lerrlyn Nelson, Clara Newman and William Ware.

The amount for the City's 2005-06 entitlement for Community Development Block Grant (CDBG), including NOF, is \$43,322,807 plus program income and other income. To date, the administration has not provided information as to the expected amount of program income and other income. The CRC reviewed 403 proposals and recommended the allocation of \$10,403,750 for 154 different activities--6,498,000 for public service, \$545,750 for public facility rehab, \$3,100,000 for home repair, \$110,000 for technical assistance, and \$150,000 for economic development. A total of six new groups were recommended for funding.

Ms. Hernandez summarized the review process. The CRC met for 15 sessions to review the proposals. Approximately 30 proposals were distributed to each CRC member as the evaluation reports/site visit reports were received from WSU or CPC staff. Unfortunately, the CRC did not receive all of the site visit/survey reports from WSU. Applicant organizations were assessed in several ways, including information provided as part of the application, the site visit report, and past history of the organization.

Some sponsors were not recommended for funding because their proposals were incomplete or they did not meet one or more other eligibility criteria approved by City Council. Some requests fell outside the required range of public service funding of between \$50,000 and \$150,000. Sponsoring organizations that did not have complete proposals, including those lacking: 3 support letters properly dated, all requested budget and financial information, building assessments, current tax receipts or negotiated payment plans, signatures, etc., Michigan Nonprofit Corporation documentation, a copy of their federal 501(c)(3) exemption, an adequate, community-representative board, or demonstration of adequate fiscal and/or management capacity were not funded. The Council did adopt a criterion that requires that each copy of the proposal submitted be complete as submitted.

The CRC applied the criteria as approved by City Council, even though in some instances it meant not funding sponsors that provide a significant service to the community. The Citizen Review Committee continues to be supportive of a process whereby decisions are made based on equitable criteria, rather than political expedience.

To aid in the review of CDBG funding, the City Planning Commission set some priorities of its own. Generally, the priorities that affected CRC review were funding for home repair and public services for youth and seniors. Since these priorities were developed during the CRC's review process, they were shared with CRC at the beginning of the costing-out process so that each proposal could be reviewed equally in light of the priorities. These priorities were the primary strategy used to decrease the overage in public service.

Following a very deliberate process for the review and recommendation for funding for each proposal, the CRC had to finally reconcile the total dollars recommended with the available CDBG funds. At the end of the proposal review, the recommendations totaled approximately \$11 million with more than \$3 million overage in public service funding. Federal guidelines require that the public service amount be limited to 15% of the total CDBG allocation. This is estimated at \$6,498,421. CRC reduced the amount recommended by eliminating funds for groups that did not document a substantial impact or program in place, and reviewing the recommended amounts on a case-by-case basis, in light of priorities established by the City Planning Commission.

The CRC recommended home repair for several community groups based on funding at \$100,000 per area. This would provide repair for 3-4 houses.

As in prior years, the CRC members continue to express a number of concerns. These include the need for documentation of financial accountability and provision of a report reflecting both the specific programs that are requesting funds as well as a report for the overall organization; the need for documentation of outputs to be more clear and specific;

the need for information on whether particular organizations have participated in the Wayne State Outcome Measures training on each individual report; the need for clearer information on need and how to balance need with impact; and the need for a clear delineation of needs and priorities by the Administration, City Council, and Planning Commission; the need for further consideration and clarification on limiting the number of years a group should be funded, with exemption for homeless activities; the need for applications to be typed rather than hand-written; and the preference for a unified application, but if applications for separate activities continue, an additional one for home repair (separate from the development application) should be requested. CRC debated what the minimum funding amount should be. Some favor being able to fund more organizations; others would like the minimum amount set by the Council so that the debate is minimized. Providing the range of \$50,000 to \$150,000 for public service was helpful, but some activities do not require as much funding. Members wanted some clarification on whether it was the intent to not fund those kinds of activities, i.e., sports leagues, etc. CRC expressed concern regarding the prevalence of overall sloppiness and disorganization of the proposals.

CRC felt that if criteria are not upheld, then those criteria should be eliminated. More dialogue with the decision makers about priorities and considerations to limit the number of organizations funded would also be helpful.

There was strong consensus amongst CRC members that groups that have received CDBG/NOF funding in previous years should be raising other funding. Discussion took place on maximizing resources. Specifically, it was suggested that some questions be included in the proposal that more clearly document other funds that have been obtained as the result of CDBG/NOF funding.

Ms. Nelson expressed concern that many smaller programs were not recommended for funding. The CRC was not able to justify recommending funding to organizations providing summer programs lasting only 6 weeks in length. She suggested setting up some mechanism to provide funding in dollar amounts ranging from \$10-15,000 for such programs.

As to the home repair program, Mr. Ware noted that in most of the older communities, 70-80% of the homeowners are senior citizens. They are being neglected in terms of home repair. The seniors want to remain in their houses as long as possible. Some type of emergency fund should be set up for senior citizens so they could replace a roof or furnace.

Commissioner Glenn noted that he did not support targeting of the home repair funds. Targeting funds will result in the deterioration of homes in other areas. A total of 50-65% of the homeowners in Detroit are seniors. They reside throughout the City. In his community, the neighborhood association inspects all houses that need home repair to determine which ones should receive funding. Standards should be set. More money should be placed in the Senior Home Repair program.

In response to Commissioner Glaser, Deborah Ferris noted that the reasons for not funding would be included on the chart being prepared for distribution next week. CPC staff would also provide information on the amount of funds recommended for community groups by cluster and by activity.

Discussion ensued on the minor home repair program and senior home repair and whether or not community organizations prioritize by population in determining who receives home repair.

Commissioner Jeffrey inquired as how the CRC determined which programs should be recommended for funding for public service activities. Mr. Long noted that the CRC analyzed the impact of the program, the number of persons being served and the outcomes.

Ms. Ferris noted how the Commission's priorities made it easier to cut back on funding allocations in order to balance the budget.

Commissioner Wendler inquired as to the difference between home repair and housing rehab.

Conflict of interest forms were submitted and signed by Commissioners Jeffrey (Core City Neighborhood, United Community Housing Coalition), Wendler (Southwest Detroit Business Association, Mexicantown Community Development Corp., Southwest Counseling & Development) and Glaser (no conflicts).

Director's
Report:

Ms. Bruhn presented the Director's report.

Recent City Council actions included approval of the PD modification and rezoning for the Landmark Healthcare Facility (St. John Detroit Riverview Hospital) as recommended by the Commission.

CPC staff has not yet received a response on questions posed to Medina Noor regarding the Department of Administrative Hearings. These included whether or not business sign violations fall under the DAH; could the DAH initiate identifying violations by zip code; and what happens to cases dismissed because of the inspector's absence. Ms. Noor indicated that she referred these questions to the directors of the Buildings and Safety Engineering Department and Environmental Affairs. In response to Commissioner Simons, Ms. Bruhn noted that inspections are being targeted to commercial districts, rental housing and party stores.

The table packets included an article from the *Detroit Free Press* regarding rules that go into effect July 1, 2005 banning the use of credit scores for personal insurance. The article also noted that insurers will be required to reduce their base premium rates. A legal challenge has been filed by four insurance companies to prevent the rules from taking effect. Commissioner Glaser questioned whether other larger insurance companies own the four companies as the companies have rather obscure names.

The United States Senate voted 68-31 on March 17, 2005 to restore \$1.9 billion in CDBG funds and to keep the program in HUD. Senators Levin and Stabenow both voted in support of the proposal. However, funding will have to be found to offset the increase to the program. Further, as noted in the March 28, 2005 edition of *Nation's Cities Weekly*, "Budget resolutions set spending caps and provide advice to the appropriations committees. We must continue to work aggressively though the appropriations process to ensure that CDBG is fully funded and remains at HUD."

Adj.:

The meeting was adjourned at 7:05 PM.